

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2012-\_\_\_\_-A**

IN RE:	)	<b>PETITION OF THE OFFICE</b>
	)	<b>OF REGULATORY STAFF</b>
	)	<b>FOR ADOPTION OF FCC</b>
LIFELINE AND LINK UP REFORM	)	<b>MANDATED CHANGES TO</b>
	)	<b>LIFELINE AND LINK UP</b>
	)	<b>AND FOR EXPEDITED</b>
	)	<b>RELIEF</b>

The Office of Regulatory Staff (“ORS”) seeks (1) guidance from the Public Service Commission of South Carolina (the “Commission”) as to whether the \$3.50 in state Lifeline support should continue to be provided; (2) adoption of the new consumer eligibility criteria; and (3) a requirement for those ETC’s that have tariffs, guidebooks or price lists to modify them by April 2, 2012.

On February 6, 2012, the FCC released its “Lifeline Reform Order.” *In the Matter of Lifeline and Link Up Reform and Modernization et al*, WC Docket No. 11-42 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012).

The Lifeline Reform Order is an overhaul of the federal Universal Service Fund’s Lifeline program and mandates certain changes within very short time periods. Key among the many changes mandated by the FCC which have a direct impact on the management of the Lifeline and Link Up programs currently administered by the ORS

are (1) changes to the amount of federal support available for Lifeline, including elimination of Link Up support except for those customers residing on tribal lands, and (2) the new customer eligibility criteria.

Pursuant to Order No. 2005-7 issued January 11, 2005 the Commission designated ORS as the Administrator of the South Carolina Intrastate Universal Service Fund (the “Fund” or “State USF”). While the Commission determined that “ORS shall have full authority to assess, disburse, and perform all other ministerial functions connected with administering the [State] USF as may be appropriate, within the existing guidelines, ...”, the changes mandated by the FCC are not ministerial in nature and require an order from this Commission.

In support of its Petition, ORS provides the following:

1. Beginning **April 2, 2012**, Link Up support is eliminated for all customers unless the customer resides on tribal lands, and federal Lifeline support is set at a flat rate of \$9.25 as opposed to the current rate of \$10.00 based on the tiered support calculation.<sup>1</sup> Additionally, the FCC is phasing down the amount of support for Toll Limitation Service. The Commission first adopted the Link-Up America program in its Order No. 87-1343, December 1, 1987. The Commission has issued subsequent orders referencing the Link Up and Lifeline programs, and currently state Lifeline support is \$3.50. ORS seeks guidance from the Commission as to whether the \$3.50 in state Lifeline support should continue beyond April 2, 2012.

2. Beginning **June 1, 2012**, all states must utilize the income and program criteria currently utilized in the federal default states for determining Lifeline eligibility. The FCC has mandated that the following programs are “qualifying assistance programs”

---

<sup>1</sup> Currently there is no support in South Carolina flowing to customers on tribal lands.

such that a consumer who receives benefits under one of these programs can participate in Lifeline:

Medicaid, Supplemental Nutrition Assistance Program (“SNAP”), Supplemental Security Income (“SSI”), Federal Public Housing Assistance (Section 8), Low Income Home Energy Assistance Program (“LIHEAP”), National School Lunch Program’s free lunch program, Temporary Assistance for Needy Families (“TANF”), Bureau of Indian Affairs general assistance, Tribally administered Temporary Assistance for Needy Families (Tribal TANF), Head Start (only those households meeting its income qualifying standard), or the Food Distribution Program on Indian Reservations (FDPIR). (*See*, Lifeline Reform Order at ¶65 and 47 C.F.R §54.409(a), (b)).

Commission Order Nos. 87-1343, 2005-296, and 2006-661 set forth the eligibility requirements for consumers to participate in Lifeline which are now inconsistent with those mandated by the FCC in its Lifeline Reform Order. ORS seeks an interim order from the Commission adopting the FCC’s consumer eligibility requirements for Lifeline as set forth in 47 C.F.R. §54.409(a) and (b).

3. In addition, the FCC has mandated that the consumer can qualify for Lifeline if the consumer’s gross household income is at or below 135% of the Federal Poverty Guidelines for a household of that size. Currently, AT&T, pursuant to Order No. 2006-661, is required to accept consumers who meet the threshold of 125%, of the Federal Poverty Guidelines. While states can increase the threshold for household income and thereby broaden the base of eligible consumers, states cannot impose a stricter standard such as 125% of the Federal Poverty Guidelines. No other ETC in South Carolina is currently required to use household income as a qualifying criterion. Further, Order No. 2006-661 adopts ORS’s request to use net income as opposed to gross income as the qualifying criteria. The Lifeline Reform Order, however, utilizes gross income, not net income. As a result of these FCC changes, ORS seeks an interim order from this

Commission adopting the FCC's household income eligibility criterion of 135% of the Federal Poverty Guidelines for all ETCs in South Carolina based on gross income.

4. Additionally, the FCC has indicated that the Lifeline Reform Order is an interim order and further changes may be forthcoming. (Lifeline Reform Order at ¶462). Therefore, ORS is seeking an *interim* order from this Commission.

5. ORS anticipates that future rulemaking proceedings will be necessary to fully implement the Lifeline Reform Order and any subsequent orders issued by the FCC related to the Lifeline program.

6. Finally, in the Commission's interim order, ORS recommends the Commission require ETCs that maintain tariffs that are subject to the Commission's jurisdiction make tariff filings to reflect that Lifeline and Link Up support will change on April 2, 2012; and require all other ETCs to make filings demonstrating appropriate revisions to their guidebooks/price lists or other relevant documents ("applicable documents") to reflect that Lifeline and Link Up support will change on April 2, 2012. References to and discounts for Link Up service on non-tribal lands should be eliminated in the existing applicable documents, and references to and discounts for the Lifeline support amount should be amended as necessary to reflect the new \$9.25 per line monthly federal subsidy, and if ordered by the Commission, a continued \$3.50 Lifeline contribution. The revised applicable documents should reflect an April 2, 2012, effective date.

WHEREFORE, ORS respectfully requests that the Commission enter an Interim Order:

1. Determining whether the \$3.50 in state Lifeline support should be continued;

2. Adopting the new consumer eligibility criteria; and
3. Requiring ETC's to submit tariffs or guidebooks/price lists that comply with the Lifeline Reform Order by April 2, 2012.



Nanette S. Edwards

Chief Counsel

**Office of Regulatory Staff**

1401 Main Street, Suite 900

Columbia, South Carolina 29201

Phone: (803) 737-0575

Fax: (803) 737- 0895

Email: [nsedwar@regstaff.sc.gov](mailto:nsedwar@regstaff.sc.gov)

March 19, 2012  
Columbia, South Carolina